

Highlights

*Internal Audit Report to the
Board of Supervisors*

Why We Did This Review

We performed this audit due to the large payroll and employee-related expenditures (ERE) at the Maricopa County Attorney's Office (MCAO), as shown in the table on the right.

Our audit objectives were to determine if:

- Payroll and ERE are in compliance with applicable laws, regulations, and County policies, and resources are properly safeguarded
- Expenditures made under the Crime Victim Compensation Program are in compliance with applicable laws, regulations, and County policies

What We Recommend

We recommend that MCAO:

- Strengthen payroll controls over time and attendance reporting
- Require that proof of payment for attorney student loan reimbursements be sufficiently detailed to allow for verification
- Ensure compliance with all Victim Compensation program Rules



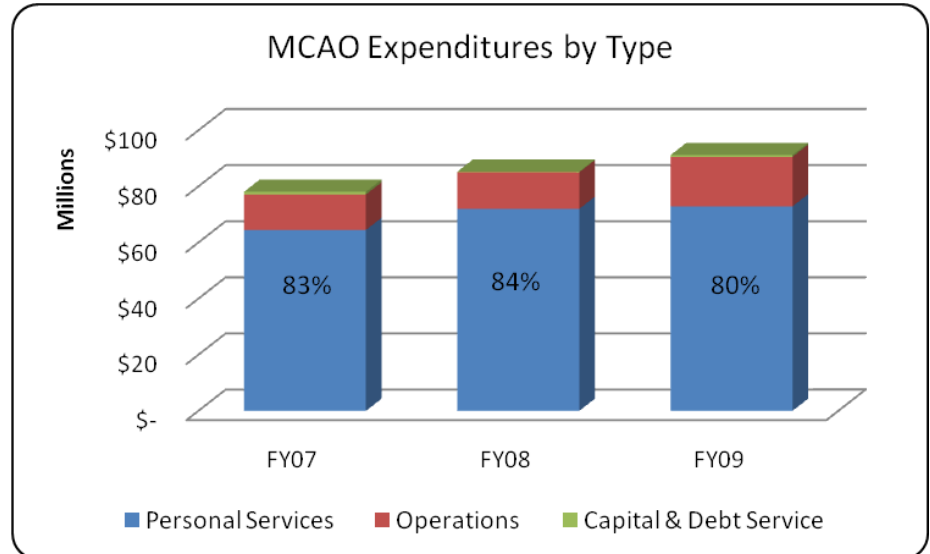
For more information, please contact
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County Attorney's Office

Payroll Controls Over Time and Attendance Need Improvement

What We Found

Payroll and employee-related expenditures totaled \$72.9 million in FY09, representing 80% of total expenditures, as shown below.



These large costs highlight the importance of a strong internal control environment. Overall, controls over the processing and reporting of payroll transactions are adequate. Payroll amounts appear to be accurately calculated, recorded, and disbursed. However, there is no reliable system in place to ensure the accuracy of time and attendance records, and thus, the propriety of payroll disbursements.

We identified a high rate of corrections going back as far as 18 months and an overall lack of oversight. We observed the following weaknesses over time and attendance reporting, which significantly increase the risk of fraud, abuse, and improper payments:

- Information is not recorded accurately and promptly
- Transactions are not properly authorized and approved
- Information is not sufficiently detailed to allow for verification

We also found that controls over the (a) Loan Repayment Assistance program, which provides student loan assistance to eligible attorneys employed by Maricopa County; and (b) Victim Compensation program are adequate. However, we noted the following:

- Loan Repayment Assistance: Quality of supporting documentation could be improved
- Victim Compensation: Required verifications were not always performed